

April 11, 2024 POLICY MONITORING BRIEF

POLICY ISSUES

MEPS RECOMMEND EU WITHDRAWAL FROM THE ENERGY CHARTER TREATY

On April 9, a joint panel of MEPs from the Industry, Research, Energy, and International Trade committees advocated for the Parliament's consent to an EU withdrawal from the Energy Charter Treaty (ECT). Parliament will hold a vote under the consent procedure during its 22-25 April session in Strasbourg. If Parliament consents, Council will be able to adopt the decision by qualified majority.

The Energy Charter Treaty (ECT), a multilateral agreement focused on the energy sector, was established in 1994 to facilitate international cooperation and provide a framework for investment protection, trade, and dispute resolution within the energy field. However, it has remained largely unchanged since the 1990s, becoming outdated and one of the most litigated investment treaties globally. The Commission now proposes a coordinated withdrawal by the Union and its Member States, as it considers the Treaty to be no longer compatible with the EU's climate goals under the European Green Deal and the Paris Agreement, predominantly due to concerns over continued fossil fuel investments. Link to article here

Source: European Parliament, 09/04/24

NEW CLP HAZARD CLASSES WILL BE INCLUDED IN IUCLID

Companies can soon start including information on new hazard classes in their IUCLID dossiers, following the amendment of the Classification, Labelling and Packaging (CLP) Regulation. The new hazard classes for classifying, labelling and packaging substances and mixtures will be included in the IUCLID software from 29 April 2024. These are:

- endocrine disruptors (ED) for human health or the environment;
- · persistent, bioaccumulative and toxic (PBT); very persistent and very bioaccumulative (vPvB); and
- persistent, mobile and toxic (PMT); very persistent and very mobile (vPvM).

Companies can start including information concerning these hazards when submitting dossiers under the CLP, REACH and Biocidal Products regulations to ECHA.

Different transition periods apply for substances and mixtures. Once they have expired, companies must indicate how their substance or mixture is classified following the new hazard classes when submitting information to ECHA. ECHA's newly launched chemicals database, ECHA CHEM, will be expanded in autumn 2024 to include the re-designed classification and labelling inventory, which will also cover the new hazard classes. Guidance on the new hazard classes will be available later this year.

Source ECHA 09/04/24

FRANCE'S NEW CIRCULAR ECONOMY LAWS ARE RAINING ON THE EU'S GREEN DEAL PARADE, JEOPARDIZING THE SINGLE MARKET AND UPSETTING BUSINESSES.

The action plan: Since 2018, France has been passing laws on waste reduction and recycling quotas under its broad Circular Economy law. The rules are similar to what's proposed under the EU's own Circular Economy Action Plan — but are more explicit or aim for a shorter deadline. For example, France banned plastic wrapping for around 30 types of fruits and vegetables already, with a view to expand to the whole range by 2026, while the EU's target is set for 2030. The country now also imposes its own recycling logo and sorting instructions on packaging.

The conundrum: In theory that's not a problem for Brussels, which has the same ambition on building a circular economy and benefits from national trial runs when it comes to green laws. But in practice, it forces businesses to consider different rules from one country to the next — on top of EU-wide regulation — and is fueling criticism against the EU and all of its red tape.

Trouble ahead: From fast-fashion bans to eco-scores, the latest round of French legislative swings risk creating more problems for Brussels. Read <u>the full article here</u>.

Source: Politico 08/04/24

NGOS URGE MEPS TO KILL 'CARBON REMOVAL' LAW

European lawmakers on Wednesday are expected to give the thumbs-up to a bill aimed at turbocharging CO2-removing activities — but dozens of green NGOs are asking lawmakers to think again, warning that, as it stands, the legislation will make it easier for firms to issue misleading claims on their carbon footprint.

Stop gambling: "We are in the midst of climate and biodiversity crises and the CRCF [the <u>Carbon Removal Certification Framework</u>] will delay ambitious climate action," reads a letter penned by roughly 200 environmental NGOs. Rejecting the law, the campaigners argue, "would ensure that EU policies focus on real emissions cuts over greenwashing."

Refresher: The European Parliament and the Council of the EU in February reached a deal on the Carbon Removal Certification Framework, a tool defining which activities are deemed able to pull carbon from the atmosphere. As part of the deal, negotiators agreed on a definition of carbon removal that mirrors language from the Intergovernmental Panel on Climate Change, a U.N. body.

Source: Council of the European Union, 19/03/24

SCIENTISTS URGE EU COUNTRIES TO ADOPT NATURE RESTORATION LAW

European scientists are calling on EU countries to adopt the nature restoration legislation, arguing the new rules are essential to fighting climate change and developing more sustainable agriculture. The legislation is currently in jeopardy, as countries have yet to give their approval and there is no qualified majority in the Council in favor of the text. 'Vital importance': In a statement published today, the European Association of National Academies of Science (EASAC) argues the proposed measures to restore at least 20 percent of the bloc's lands and seas by the end of the decade are "of vital importance for food security, biodiversity and the climate." The scientists also highlight that the legislation offers an opportunity to reshape farming practices across the bloc and pay farmers for protecting nature.

Don't listen to them: Opponents of the bill who claim the new measures would threaten food security are relying on "false" arguments, the scientists said. "Implementing the necessary measures may affect the narrow business interests of certain major stakeholders in the agribusiness industry — such as sales of pesticides and fertilisers — which has led to sustained campaigns against the law," said Michael Norton, EASAC's environment co-director.

Source: Politico, 08/04/24

PFAS - FRANCE ASKS BRUSSELS TO "PRIORITISE" THE FIGHT AGAINST "ETERNAL POLLUTANTS" IN STRATEGIC SECTORS

The French government's new anti-PFAS plan was published on 5 April. France, which "supports the broad restriction proposal" put forward by five Member States, has "asked the Commission to prioritise the work of the ECHA [European Chemicals Agency] on strategic sectors for the decarbonisation of the economy, European sovereignty and defence". Echa has already planned to organise its work by sector. At national level, the plan calls for improved methods for measuring PFAS in the air, water, the environment, food and consumer goods, and for the development of "multi-media and multi-channel exposure scenarios"; increased monitoring of wastewater treatment plant outlets - a programme "will be set up in 2024" - and of incinerators; and "accelerated" production of health reference values(our brief). Monitoring of fertilisers is also planned, as is the identification of sites using fire-fighting foams. The EESC will be asked to help the government, with the support of Ineris, to "distinguish between essential

and non-essential uses of PFAS". The latter must also be included in the decree(s) expected to define "sensitive" water catchment points.

Source: Contexte 08/04/24

EU DOCUMENT - THE PRIORITIES OF THE EUROPEAN COUNCIL FOR THE NEXT FIVE YEARS

Context publishes a Council working document, which has been circulating since the end of March, listing the "priority areas of action" for the next mandate. This list sets out the structure of the "strategic agenda" that the Twenty-Seven must adopt at their summit at the end of June to frame the work of the future European Commission. Structured around three main objectives, the document first places emphasis on security and defense. He recommends "mobilizing all the necessary instruments" and "substantially increasing spending" to ensure that the EU is able to defend itself. Preparing for enlargement also figures prominently, with the need to carry out the necessary internal reforms. It also calls for using "the possibilities of progressive integration of candidate countries", even if it means "exploring new legal instruments". The second block of priorities focuses on strengthening the competitiveness of the Union. The fight against climate change and environmental protection are only discussed from this angle. Launched at the Grenada summit in October 2023, the preparation of the strategic agenda is coordinated by the President of the European Council Charles Michel, who has been consulting heads of state and government since November. The next European summit on April 17 and 18, largely devoted to the competitiveness of the EU, should provide food for thought.

Source: Contexte 09/04/24

THE UNITED STATES ADOPTS A FEDERAL STANDARD ON THE MAXIMUM LEVEL OF PFAS IN DRINKING WATER, A FIRST

According to the American Environmental Protection Agency (EPA), this will reduce exposure to "eternal pollutants" of "around 100 million people". These new limits, announced on April 19 after a consultation phase, concern five "subfamilies" of PFAS: PFOS and PFOA (banned in the EU), and GenX (PFNA, PFHxS, and HFPO-DA). The "approximately 6 to 10%" of the country's 66,000 utilities affected will have three years to test their water and inform the population, then two years to act – the Biden administration has promised a billion dollars to support them. The threshold chosen for PFOS and PFOA is "the lowest at which they can be measured reliably", according to the AP agency. The EPA is also preparing to classify certain PFAS as "hazardous substances". Like European institutions, the United States has already announced a ban on food packaging containing them.

Source: Contexte 11/04/24

COMMISSION TAKES STOCK OF THE CLEAN TRANSITION DIALOGUES WITH EU INDUSTRY AND SOCIAL PARTNERS

Today, the Commission adopted a Communication taking stock of a series of Clean Transition Dialogues on transforming Europe into a clean, resource-efficient, fair, and competitive economy. Commission President von der Leyen announced the launch of the dialogues in her 2023 State of the Union speech, to discuss with European industry and social partners how to strengthen and support the implementation of the European Green Deal, contributing to a reinforced industrial approach. The Dialogues have been chaired by Executive Vice-President Maroš Šefčovič. Todays stocktake will feed into the discussion of EU leaders at the upcoming European Council on the next steps in Europe's clean transition.

Commission President Ursula von der Leyen said, "The European Green Deal is, and always has been, Europe's growth strategy. Clean growth brings real benefits to our industry, and they have embraced it. Because in the European economy of the future, competitiveness and sustainability will go hand in hand. Now that a predictable regulatory framework is in place, the Clean Transition Dialogues are an important way to work together with industry and social partners to implement it in the most effective way. The Dialogues showed that our partners are committed to getting the job done

and delivering on our ambitious and essential targets. Based on their insights, Europe will continue to support industry in building a business model fit for a decarbonised economy." Link

Source: European Commission Press Release 10/04/2024

METHANE: PARLIAMENT ADOPTS NEW LAW TO REDUCE EMISSIONS FROM ENERGY SECTOR

The new law will enable the EU to reduce methane emissions from the energy sector to reach the EU's climate goals and improve air quality.

Parliament on Wednesday adopted a provisional political agreement with EU countries on a new law to reduce methane emissions from the energy sector, with 530 votes in favour, 63 against and 28 abstentions.

The new regulation is the first piece of EU legislation aimed at cutting methane emissions and covers direct methane emissions from the oil, fossil gas and coal sectors, and from biomethane once it is injected into the gas network.

You can read more about the new rules in the press release after the deal with EU countries. link

Source: European Parliament Press Room 10/04/2024

TOP OFFICIAL WARNS AGAINST 'PLAYING POLITICS' WITH GREEN CHEMICALS POLICY

Amid backlash against the European Green Deal, the European Chemicals Agency's top official cautioned on Wednesday against "playing politics with health or the environment."

Speaking at the Helsinki Chemicals Forum, ECHA chief Sharon McGuinness said the agency's work will remain strictly science-based, and cautioned more broadly against chemicals policymaking becoming influenced by politics.

Increasing pushback against the Green Deal, a set of policy initiatives that aims to make the EU climate-neutral by 2050, has already resulted in the European Commission's postponing plans to revise REACH — the cornerstone of the EU's chemicals legislation — until after the European election in June, to the dismay of environmental campaigners and civil society groups. The complex legislation is intended to protect people and the environment from harmful chemicals; any changes would likely have significant impacts for the EU's chemicals industry — a prospect that gave some lawmakers and EU governments cold feet.

ECHA — which is responsible for implementing chemicals legislation as well as identifying problematic substances and managing their risks — appreciates the challenges faced by the Commission, McGuinness told the conference. "But when it comes to decision-making, [ECHA] is science and technical based," she said. "We are not about politics — and I don't think you can ever play politics with health or the environment."

Source: Politico 10/04/24

2024-2029 STRATEGIC AGENDA

Defense and security trump climate as Europe's top priorities for the next five years, according to a draft version of the Council of the EU's strategic agenda for 2024-2029, obtained by POLITICO. The document is set to be discussed by the bloc's 27 heads of state and government and adopted at their European Council meeting in June. Asserting the EU's position on the global stage, boosting the defense industry, stopping illegal migration and preparing for the enlargement of the EU should be the top priorities of the bloc, according to the document. Ranking second are goals such as speeding up the energy transition and the transition to a more circular economy, preparing for the impacts of climate change and slashing red tape. The document also mentions the need to "ensure our food security through a vibrant agriculture sector."

No surprises: It doesn't come as a surprise that climate and environmental goals are relegated to the bottom, following months of farmers' protests and growing backlash against the Green Deal. The agenda is also being floated at a moment when EU institutions are challenging the remaining environmental

legislation that needs to be finalized before the EU election and to get them across the finish line, like the nature restoration law.

NGOs disappointed: "The disappearance of the fight against air and water pollution, as well as the absence of the promotion of sustainable agriculture in the leaked 2024 Strategic Agenda, are both deeply troubling," said Faustine Bas-Defossez, director for health, nature and environment at the European Environmental Bureau, an NGO. She also pointed to growing awareness about PFAS pollution and premature deaths from air pollution across the bloc, "it's clear that these issues demand urgent action and attention." But they're not featured in the draft document.

Source: Politico 10/04/24

CARBON REMOVALS: MEPS ADOPT A NEW EU CERTIFICATION SCHEME

The law will set up an EU certification framework for carbon removals to boost their uptake and help achieve EU climate neutrality by 2050. Parliament on Wednesday adopted the provisional political agreement with EU countries on a new voluntary certification framework for carbon removals, with 441 votes in favour, 139 against and 41 abstentions.

The legislation covers different types of carbon removals, namely permanent carbon storage through industrial technologies, carbon storage in long-lasting products and carbon farming. It aims to boost their use and improve the EU's capacity to quantify, monitor and verify such activities in order to counter greenwashing. You can read more about the new rules in the <u>press release after the deal with EU countries</u>.

Next steps The law now also has to be adopted by Council, before being published in the EU Official Journal and entering into force 20 days later.

Background In April 2023, Parliament adopted a resolution on <u>Sustainable carbon cycles</u> saying that while the EU must always prioritise swift and predictable reductions in greenhouse gas emissions, carbon removals must play a growing role in achieving EU climate neutrality by 2050 to balance out emissions that cannot be eliminated.

This legislation responds to citizens' expectations concerning climate change and the environment as expressed in proposal 1(5) of the <u>conclusions of the Conference on the Future of Europe</u> where they call for the introduction of "a certification of carbon removals, based on robust, solid and transparent carbon accounting".

Source: European Parliament Press Room 10/04/202

PUBLIC CONSULTATIONS

- Food safety plastic food contact materials (FCMs) (deadline 10 April) Link here
- <u>EU emissions trading system</u> update of the Verification and Accreditation Regulation Deadline
 15 April 2024
- Single Market Programme interim evaluation (deadline 31 May 2024) Link here
- Climate reporting amended templates to reflect 'Fit for 55' outcomes deadline 11 April 2024

STUDIES/REPORTS/ARTICLES

E-COMMERCE ECONOMICS: HOW CAN FOODSERVICE PLATFORMS BOOST PACKAGING SUSTAINABILITY AND PROFITS?

Since the COVID-19 pandemic, the scope of e-commerce has expanded from retail to foodservice industry, providing convenience to consumers and new opportunities for restaurants. However, this convenience comes with environmental concerns, particularly regarding packaging waste. According to the executive director of the Foodservice Packaging Association (FPA), Martin Kersh, even though delivery platforms don't usually have full control over the packaging used by restaurant and takeaway members, they play an important role in ensuring compliance with legislation and sustainability.

"Meal delivery platforms should do a lot more to ensure their members aren't exploited by packaging suppliers claiming their packaging has superior environment credentials, when these credentials have no evidence to prove they are legitimate. This includes claims for plastic-free cups, which mostly aren't plastic free and packaging claiming to be biodegradable when it's actually compostable only in specialist industrial composting facilities," Kersh tells Packaging Insights. Link

Source Packaging insights 10/04/24

JRC TECHNICAL RECOMMENDATIONS ON PACKAGING CATEGORIES TO SUPPORT THE DESIGN FOR RECYCLING ASSESSMENT OF THE PACKAGING AND PACKAGING WASTE REGULATION PROPOSAL

The aim of this study is to develop technical recommendations for a possible amendment of Table 1 – Annex II of the EC proposal for a Packaging and Packaging Waste Regulation, to support the codecision process. The main objective is to consider reducing the number of packaging categories referred to in Article 6 of the Regulation. To this end, the feasibility of aggregating some of the packaging categories has been assessed. The proposal also includes recommendations on possible integration of missing packaging categories or formats in Table 1 of Annex II. The study led to the recommendation to reduce the number of packaging categories from 30 to 22, by merging mono-material and composite packaging for glass, steel and aluminium (distinguishing between rigid and semi-rigid or flexible aluminium packaging); plastic packaging categories that differed only by colour; and PS and XPS plastic packaging. A new category for biodegradable plastic packaging is proposed to be added to the table. Link

Source Joint Research Centre 08/04/24

LIFE CYCLE THINKING FOR ASSESSMENT OF WASTE AND CIRCULAR ECONOMY POLICY: STATUS AND PERSPECTIVES FROM EU EXAMPLE

Life cycle thinking methods such as life cycle assessment (LCA) and costing (LCC) were originally developed to assess the performance of products and services (business-making decisions). The present study provides an overview of recent IA studies supporting waste policy to show the state-of-the-art and the main challenges associated with the application of life cycle methods in IA, focusing on the most recent EU waste and circular economy policies. Moreover, the study provides an initial guidance for application of life cycle thinking in IA drawing upon the knowledge obtained conducting waste policy IA studies. Key challenges in the field are still to be addressed, and might inspire further research to improve the application of life cycle thinking to policy assessment. Link

DECIPHERING THE DIFFERENCES IN PLASTIC PARTICLES REPORTED IN FOODS

Microplastics (MPs) can get into foods through two main pathways, (1) from an organism collecting the particles from the environment while alive, e.g., filter feeding shrimp; or (2) from packaging or processing equipment.

To get a better understanding of human exposure to microplastics from foods, Emine Merve Canga and co-authors from University College Dublin <u>reviewed research</u> on microplastics in foods via both pathways. By analyzing the factors contributing to the wide range in numbers of reported particles, they hoped to elucidate inconsistencies in research methodology and provide recommendations to improve MP assessment. References below

Canga, E.M., et al. (2024). "Assessing the inconsistency of microplastic measurements in foods and beverages." Comprehensive Reviews in Food Science and Food Safety. DOI: 10.1111/1541-4337.13315

Duncan, T. et al. (2024). "Regulatory Science Perspective on the Analysis of Microplastics and Nanoplastics in Human Food." Analytical Chemistry. DOI: 10.1021/acs.analchem.3c05408

EVENTS AND MEETINGS

CIRCULAR ECONOMY FORUM- BRUSSELS 15- 18 APRIL

The world's leading event for circular economy thinkers, doers and leaders hits Brussels in April 2024, showcasing the most impactful circular solutions from around the world. Register here: https://wcef2024.com/